



Date: May 17, 2016

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Harmon Crutchfield, Interim Transportation Director
Subject: Local Match for Potential FY 2018-2027 Transportation Improvement Program Projects

Executive Summary

The City of Durham, through the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO), is participating in the “Prioritization 4.0” process to develop the FY 2018-2017 Transportation Improvement Program (TIP). The Prioritization process is facilitated by the North Carolina Department of Transportation (NCDOT) and is governed by the Strategic Transportation Investments (STI) legislation. The process involves a quantitative scoring of all projects by NCDOT and the application of local input points by the MPO and NCDOT’s Division offices to produce a final prioritized list of projects. The outcome of the process is the TIP which will program federal, state, and local transportation funding to projects over a ten year window. Some categories of projects require a local match to the federal and state funding. NCDOT has required that a letter be submitted pledging the local match for any project that receives local points by the MPO. It is recommended that the City Council authorize the City Manager to send a letter pledging local funding commitment for five bicycle and pedestrian projects and an upgrade to the Durham Traffic Signal System.

Recommendation

The Transportation Department recommends that the City Council authorize the City Manager to send a letter to NCDOT pledging local funding commitment for five bicycle and pedestrian projects and an upgrade to the Durham Traffic Signal System.

Background

Prioritization 4.0 is a multi-step process facilitated by NCDOT that results in the programming of federal, state, and local transportation projects in the FY 2018-2017 TIP. The process includes multiple steps of involvement by the DCHC MPO and NCDOT Division 5 and must comply with the Strategic Transportation Investments (STI) legislation passed in 2013. In summary, projects are submitted for scoring, NCDOT applies a quantitative scoring methodology, the MPO and Division apply local input points to projects, the quantitative score and local input points are combined to produce a final score for each project, and funding is programmed to each project in order of score and considering certain funding distribution parameters set by the STI legislation and NCDOT.

The STI legislation classifies projects as Statewide, Regional, or Division based on their mode and project characteristics. Statewide projects compete against each other statewide and are eligible to compete for 40 percent of all funding. Regional projects compete against each other within two paired Divisions (Durham is in Region C which includes Division 5 and 6) and are eligible to compete for 30 percent of all funding. Division projects compete against each other within a Division (Durham is in Division 5) and are eligible to compete for 30 percent of all funding. The STI legislation also establishes a funding distribution among Regions (by population share) and Divisions (by an equal share). Durham is in the most populous Region in the State and thus is eligible for much more funding at the Regional level than at the Division level. NCDOT has set a distribution policy that provides a minimum 4 percent of funding to non-highway projects, a minimum 90 percent of funding to highway projects, and the remaining 6 percent of funding may be provided to any type of project.

In fall 2015, the DCHC MPO submitted highway, bicycle and pedestrian, transit, and rail projects to NCDOT for consideration. The projects were selected from among projects included in the adopted MPO Transportation Plan. NCDOT released the quantitative scores for these projects in April 2016. The next step is for the DCHC MPO and Division 5 to decide which projects will receive their local input points. This is done in two steps: first, points are applied to Regional projects by the end of July 2016; and second, points are applied to Division projects by the end of September 2016. The quantitative scores and local input points will be combined to create final project scores. NCDOT will publish a draft State TIP in December 2016 that applies the available funding to projects in score order considering the funding distribution parameters of STI.

Project cost is an element of the quantitative scores for projects. NCDOT allows local jurisdictions to pledge local funding to help improve the project score. In the case of traffic signal systems, NCDOT and the City share the match for federal funding in proportion to the number of state and city signals in the system.

In addition, the STI legislation prohibited the use of state funding for bicycle and pedestrian projects. Generally, all bicycle and pedestrian projects will be funded with 80 percent federal Transportation Alternatives Program funds that require a minimum 20 percent local match that must be provided by a local jurisdiction. All bicycle and pedestrian projects must also be locally managed. For any project that either pledges or requires the use of local funding, NCDOT requires that a letter signed by a responsible official be sent to NCDOT. NCDOT requires that this letter be received prior to the addition of the MPO's local input points.

Issues and Analysis

Transportation Department staff has reviewed the quantitative scores for projects and has identified which projects appear to have the best chance to receive funding. Several of these projects require local funding, and it is recommended that the City Manager send the attached letter pledging funds for these projects.

Among highway projects, the Durham Traffic Signal System upgrade was submitted and should be competitive for Regional funding if the MPO and Division 5 apply local input points to the project. The Durham Traffic Signal System is a high priority project for the Transportation Department. This project includes the replacement of obsolete technology and an upgrade will increase the capabilities of the system, increase the reliability of the system, and decrease maintenance costs. The traffic

signal system is a critical tool to help the City address traffic congestion, improve traffic safety, improve transit on-time reliability, and provide for safer bicycle, pedestrian, and rail crossings. The 2015 Resident Satisfaction Survey highlighted improving the flow of traffic as the second highest investment priority, and the signal system is essential for addressing this issue.

NCDOT is expected to manage this project. Per the City's reimbursement agreement with NCDOT on the maintenance of traffic signals, the required 20 percent local match will be shared based on the percentage of signals on the state and city systems. 85 percent of the traffic signals are on the state system and 15 percent of the traffic signals are on the city system. The total estimated cost for the project is \$19,750,000 and thus the funding would be provided as follows:

- 80% = \$15,800,000 federal funds
- 85% of 20% = \$3,357,500 state funds
- 15% of 20% = \$592,500 City of Durham

The City's contribution for this project may exceed the above figure depending on the specifications of the project and any ancillary costs associated with the project such as the installation of fiber communications to City facilities.

Among bicycle and pedestrian projects, Durham has four very competitive projects and one, less competitive, but high priority project. The four most competitive projects based on their quantitative scores are:

- NC 55, Riddle Rd. to Cecil St., sidewalk on east side
- Bryant Bridge North/Goose Creek West Trail, Bryant Bridge to Granby Park
- NC 157 (Guess Rd.), Hillcrest St. to W. Carver St., sidewalks on both sides
- Third Fork Creek Trail, Southern Boundaries Park to American Tobacco Trail

A fifth project does not score as highly, but it is a high priority project and staff is recommending that the MPO apply local input points to it.

- Duke Belt Line Trail, Pettigrew St. to Avondale Ave.

The Bryant Bridge North/Goose Creek West and Third Fork Creek trail projects are among the Durham Parks and Recreation Department's priority trails. The Duke Belt Line is also a high priority project and the City is starting the creation of a Master Plan for this trail funded through a TIGER grant. The two sidewalk projects are on the City's Unfunded Sidewalk Construction Priority List adopted in 2011.

All bicycle and pedestrian projects require a minimum 20 percent local match to the requested federal funding. NCDOT requires that the City pledge this minimum amount of funding at this time. However, there are always non-reimbursable expenses with these projects. Most often the local funding ends up being closer to 25-30 percent of total funding. Based on the preliminary cost estimates that were developed to submit these projects, the following table displays the estimated federal funds and the minimum 20 percent local match.

Project	Estimated Federal \$	Minimum City \$ (20% match)
NC 55, Riddle Rd. to Cecil St., sidewalk on east side	\$543,600	\$135,900

Bryant Bridge North/Goose Creek West Trail, Bryant Bridge to Granby Park	\$2,009,305	\$502,326
NC 157 (Guess Rd.), Hillcrest St. to W. Carver St., sidewalks on both sides	\$728,937	\$182,234
Third Fork Creek Trail, Southern Boundaries Park to American Tobacco Trail	\$2,573,918	\$643,479

The Duke Belt Line Trail is anticipated to be funded with a combination of federal, local, and private funding. The Duke Belt Line Trail Master Plan will include the development of a more accurate cost estimate and a funding strategy. However, in order to submit this for the Prioritization 4.0 process, the following assumptions were made:

- Total Cost = \$11,600,000
- Federal SAFETEA-LU Earmark = \$1,700,000
- Private funding = \$2,700,000
- Federal Transportation Alternatives Program funding = \$5,750,000
- City funding = \$1,450,000

NCDOT's request for local commitment of funding only applies to the \$1,450,000 of City funding proposed when the project was submitted for Prioritization 4.0.

If these projects are funded in the TIP, they will receive funding between FY 2018-2027. Most likely, the funding will be programmed in FY 2021-2027 since most funding available in the first three years is already committed to other projects. In the past, the MPO has been able to make schedule adjustments between the draft State TIP and the final State TIP to make sure that project schedules are coordinated with local governments. This will still allow the City to consider funding for these projects through the annual Capital Improvement Program development process. In fact, \$2.5 million of City funding for acquisition of the Duke Belt Line Trail has already been proposed in the FY 2017 CIP.

The City will not need to encumber the local match funding for several years, and this will not occur until a Municipal Agreement is brought forward for City Council authorization closer to the start of the project. The City's letter will state our intention to provide funding for these projects at a later date, but it does not obligate the City to provide these funds.

Alternatives

The City could not pledge the commitment of funding to all or any of these projects. However, this would make them ineligible to receive funding through the Prioritization 4.0 process.

Financial Impact

The total potential minimum local funding for these six projects is \$3,506,439. If these projects are funded in the TIP and move forward for development, the City would be requested to commit these funds sometime during FY 2018-2027. The funding would be requested through the Capital

Improvement Program in the appropriate year by either the Transportation Department or the Parks and Recreation Department. The funding will not be encumbered until a Municipal Agreement for each project is executed by the City of Durham and NCDOT.

Sending the letter to NCDOT at this time does not have an immediate financial impact, but it does state our intention to provide funding for these projects at a later date.

SDBE Summary

NCDOT will require that federal and state contracting procedures be followed for these projects.

Attachments

Letter to NCDOT regarding the local match for six projects

cc: Marvin Williams, Public Works Director
Rhonda Parker, Parks and Recreation Director